

## Message Text

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ACTION TRSE-00

INFO OCT-01 EA-12 ISO-00 NEA-10 IO-14 AID-05 CIAE-00

COME-00 EB-08 FRB-01 INR-07 NSAE-00 USIA-15

XMB-04 OPIC-06 SP-02 LAB-04 SIL-01 OMB-01 NSC-05

SS-15 STR-04 CEA-01 L-03 H-02 PA-02 PRS-01

AGRE-00 ABF-01 /125 W

-----095804 190806Z /15

P 190640Z AUG 77

FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 3947

UNCLAS SECTION 1 OF 2 MANILA 12987

USADB

PASS TREASURY FOR TOM BURKE, OASIA

E.O. 11652: N/A

TAGS: EAID, EFIN

SUBJ: GAO REQUEST FOR INFORMATION ON COFFEE PRODUCING COUNTRIES

FOLLOWING ARE ANSWERS TO QUESTIONS ASKED BY GAO ON  
IFI LOANS TO DEVELOPING COUNTRIES, PARTICULARLY COFFEE  
PRODUCING COUNTRIES:

QUESTION NO. 1

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1. CRITERIA USED BY THE BANK IN DECIDING ON GRANTS OF LOANS  
ARE FOUNDED ON THE OPERATING PRINCIPLES GIVEN IN ARTICLE 14,  
SUB-CLAUSES (I) TO (VI), (XII) AND (XIV), OF THE BANK'S  
CHARTER. THESE INCLUDE ASSIGNMENT OF HIGH PRIORITY IN THE  
DEVELOPMENT PROGRAMS OF THE COUNTRY, TECHNICAL, ECONOMIC AND  
FINANCIAL VIABILITY, AND ABILITY TO PAY BACK. IN EVALUATING  
THE PROJECTS, DUE CONSIDERATION IS ALSO GIVEN TO THE SOCIO-  
ECONOMIC AND ECOLOGICAL IMPACTS OF THE PROJECT, APPLICATION OF  
APPROPRIATE TECHNOLOGY, AND OTHER RELEVANT FACTORS. THE BANK  
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PAYS DUE REGARD TO THE ABILITY OF THE BORROWER TO OBTAIN  
FINANCING OF FACILITIES ELSEWHERE ON TERMS AND CONDITIONS  
CONSIDERED REASONABLE FOR THE RECIPIENT TAKING INTO  
ACCOUNT ALL PERTINENT FACTORS. THE BANK DOES NOT, HOWEVER,  
FINANCE ANY UNDERTAKING IN THE TERRITORY OF A MEMBER  
IF THE MEMBER CONCERNED OBJECTS TO SUCH FINANCING.

## QUESTION NO. 2

2. THE BANK DOES NOT HAVE ANY "ONE-CROP" LESS DEVELOPED COUNTRY AMONG ITS MEMBERS.

A. INFORMATION ON LOANS MADE BY THE BANK TO INDONESIA AND PHILIPPINES, THE TWO COFFEE PRODUCING BORROWING DEVELOPING MEMBER COUNTRIES OF THE BANK, IS GIVEN BELOW. (DETAILED STATEMENTS OF LOANS TO THESE TWO COUNTRIES BEING POUCHED.)

## INDONESIA

	NUMBER OF LOANS	AMOUNT (US\$ M)
1973	8	41.22
1974	5	78.10
1975	7	78.25
1976	5	109.34
1977		
(UP TO 15 AUG)	1	20.50
	26	327.41

## PHILIPPINES

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	NUMBER OF LOANS	AMOUNT (US\$ M)
1973	7	78.6
1974	3	58.1
1975	6	106.0
1976	4	116.2
1977		
(UP TO 15 AUG)	-	-
	20	358.9

B. THE DATA ON PRODUCTION AND PERCENTAGE VALUE OF COFFEE EXPORTS FROM THE TWO COUNTRIES IS ALSO GIVEN BELOW.

## INDONESIA

PRODUCTION OF COFFEE M.T.	VALUE OF COFFEE EXPORTS AS OF TOTAL EXPORTS
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1973	150,000	2.6
1974	159,000	1.5
1975	172,000	1.5
1976	179,000	3.0

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ACTION TRSE-00

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COME-00 EB-08 FRB-01 INR-07 NSAE-00 USIA-15  
XMB-04 OPIC-06 SP-02 LAB-04 SIL-01 OMB-01 NSC-05  
SS-15 STR-04 CEA-01 L-03 H-02 PA-02 PRS-01  
AGRE-00 ABF-01 /125 W  
-----117674 201054Z /15/12

P 190640Z AUG 77

FM AMEMBASSY MANILA  
TO SECSTATE WASHDC PRIORITY 3948

UNCLAS SECTION 2 OF 2 MANILA 12987

CORRECTED COPY (TEXT)

# PHILIPPINES

PRODUCTION OF COFFEE M.T.	VALUE OF COFFEE EXPORT AS OF TOTAL EXPORTS
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1973	51,600	--
1974	50,900	--
1975	54,000	0.11
1976	57,000	0.95

QUESTION NO. 3

3. AMONG THE BANK'S BORROWING DEVELOPING MEMBER COUNTRIES,  
INDONESIA AND PHILIPPINES PRODUCE COFFEE BUT THEY ARE NOT  
ONE-CROP ECONOMIES.

QUESTION NO. 4

4. THERE ARE NO DEFAULTS ON THE LOANS TO INDONESIA AND  
THE PHILIPPINES.

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QUESTION NO. 5

5. THE BANK DOES NOT FORESEE IMMINENT DEFAULT IN ANY OF THE LOANS TO INDONESIA AND THE PHILIPPINES.

QUESTION NO. 6

6. A. AS AGREED, PART 1 IS NOT BEING ANSWERED. PART 2: THERE ARE A NUMBER OF WAYS IN WHICH THE U.S. BANKS ARE MAINTAINING RELATIONSHIP WITH THE BANK. THESE INCLUDE:

(I) FUNCTIONING AS DEPOSITORIES OF THE FUNDS OF THE BANK,

(II) UNDERWRITERS FOR THE BANK BONDS,

(III) CO-FINANCING OF THE BANK'S PROJECTS,

(IV) PARTICIPATION IN LOANS, AND

(V) EXCHANGE OF INFORMATION AND VIEWS FROM TIME TO TIME.

B. TWENTY-NINE U.S. BANKS HAVE FUNCTIONED AS THE DEPOSITORIES OF THE FUNDS OF THE BANK. SIXTEEN U.S. BANKS HAVE FUNCTIONED AS UNDERWRITERS FOR THE BONDS ISSUED BY THE BANK. THERE ARE TWO CASES OF CO-FINANCING OF THE BANK'S PROJECTS BY THE U.S. COMMERCIAL BANKS. (FOOTNOTE: IN SINGAPORE, SECOND WATER SUPPLY PROJECT, BANK OF AMERICA HAS CO-FINANCED A SUM OF \$5 MILLION. IN THE PHILIPPINES, FOURTH MINDANAO POWER PROJECT, FIRST CALIFORNIA BANK HAS CO-FINANCED IN A SUM

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OF \$8 MILLION.) TWENTY-FIVE U.S. BANKS HAVE PARTICIPATED IN THE BANK LOANS IN A TOTAL SUM OF US\$9,733,600.

C. THE BANK HAS EXCHANGED VIEWS FROM TO TIME ON THE CREDIT STANDING OF THE DEVELOPING MEMBER COUNTRIES WHERE THERE HAS BEEN COMMON INTEREST, PARTICULARLY WHERE LENDING IS DONE EITHER ON CO-FINANCING OR EVEN OTHERWISE TO THE SAME INSTITUTIONS IN THE COUNTRY.

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Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009